

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7524

BILL NUMBER: SB 574

NOTE PREPARED: Jan 10, 2005

BILL AMENDED:

SUBJECT: Vanderburgh County Innkeepers' Tax.

FIRST AUTHOR: Sen. Server

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill beginning after December 31, 2005, provides for 16 2/3% of the Vanderburgh County innkeepers' tax to be distributed to the USS Lst-325 Ship Memorial Fund, 41 2/3% to be distributed to the Tourism Capital Improvement Fund, and 41 2/3% to be distributed to the Convention and Visitor Promotion Fund. The bill eliminates obsolete text.

Effective Date: December 31, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:* The bill changes the distribution of the Vanderburgh County Innkeeper Tax beginning December 31, 2005. The bill does not authorize a rate increase. Currently, the Vanderburgh County Innkeeper's Tax is levied at a 6% rate. The bill would change one of the three existing funds in which revenue is currently received. Currently, the Convention Center Operating Fund (CCOF) receives county innkeeper's tax revenue equal to a 2% rate. Under the bill, the CCOF would cease to exist and would be replaced by the USS LST-325 Ship Memorial Fund. Current and proposed distributions for CY 2006 are described in the following table.

Fund	Current CY 2005 Rate	Current CY 2006 Rate	Current CY 2006 Share of Revenue	Proposed CY 2006 Rate	Proposed CY 2006 Share of Revenue
Convention and Visitor Promotion Fund	2.50%	2.50%	41.667%	2.50%	41.667%
Tourism Capital Improvement Fund	1.50%	3.50%	58.333%	2.50%	41.667%
Convention Center Operating Fund/ USS LST-325 Ship Memorial Fund	2%	0%	0.000%	1%	16.667%
TOTAL	6%	6%	100%	6%	100%

In FY 2004, Vanderburgh County Innkeeper's Tax revenue was \$2.03 M. The following chart exhibits the amount of revenue per fund under current law and as if the proposed rate changes had been in effect in FY 2004.

Fund	Current Share of Revenue	Proposed Share of Revenue	Difference
Convention and Visitor Promotion Fund	\$0.84 M	\$0.84 M	No Change
Tourism Capital Improvement Fund	\$0.51 M	\$0.84 M	\$0.33 M
Convention Center Operating Fund/ USS LST-325 Ship Memorial Fund	\$0.68 M	\$0.34 M	(\$0.34) M
TOTAL	\$2.03 M	\$2.03 M*	\$0*

*Totals may not sum due to rounding.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Vanderburgh County.

Information Sources: Vanderburgh County Treasurer.

Fiscal Analyst: Chris Baker, 317-232-9851.